

Edison Electric INSTITUTE

October 17, 2017

FROM: Tom Kuhn, President, Edison Electric Institute

RE: Transportation Electrification and the Volkswagen Mitigation Trust

Dear Governor:

The Edison Electric Institute (EEI) is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for about 220 million Americans, and operate in all 50 states and the District of Columbia. As a whole, the electric power industry supports more than 7 million jobs in communities across the United States.

On behalf of EEI's member companies, I am writing to discuss exciting, yet time-sensitive, opportunities for partnerships among states and electric companies related to electrification.

As you no doubt are aware, the Clean Air Act settlement to mitigate excess nitrogen oxides (NOx) emissions from certain Volkswagen diesel-powered vehicles has established a \$2.925 billion Environmental Mitigation Trust. The establishment of the trust is an opportunity not only to accomplish significant environmental benefits but also to invest in an electric-powered transportation future.

I urge you and your administration to take the following three actions to support transportation electrification:

- 1/65 ▪ Elect to become a beneficiary of the trust by submitting your certification form by December 1, 2017, to ensure your state does not miss this opportunity.
- Include electric-powered options in your state's mitigation actions, in particular an allocation for EV charging infrastructure.
- **Provide us a contact within your administration who leads efforts to integrate transportation and energy policy** and who can work with us to help leverage the electric companies in your state.

A transportation system powered by electricity is one that saves money, improves air quality, and improves the nation's global competitiveness. I urge you to help us move toward a more electrified transportation system by investing in electrification projects and leveraging your local electric company partners.

EEI member companies in your state already serve the fleets and transportation systems that would benefit

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directly from the project funding, and they are well-positioned to identify new projects and to help implement them at customer locations. Electric companies can help amplify infrastructure investment.

As the energy grid operators, EEI's member companies can ensure projects are integrated into the grid in a cost-effective manner that benefits the whole community. By investing in cleaner energy and a smarter, more flexible energy grid, electric companies are building the platform for a smart electric transportation system and the backbone for smarter communities that leverage technology to improve quality of life for all citizens.

The trust gives states broad flexibility to invest their funds. However, near-term action is required to ensure that this opportunity is as impactful as possible. The trust was formally established on October 2, 2017, meaning that your state must submit certification forms **within 60 days, or no later than December 1, 2017**, declaring yourself as a beneficiary to the trust and designating a lead agency that will administer your share of the funds. We urge you to submit these certification forms as soon as possible.

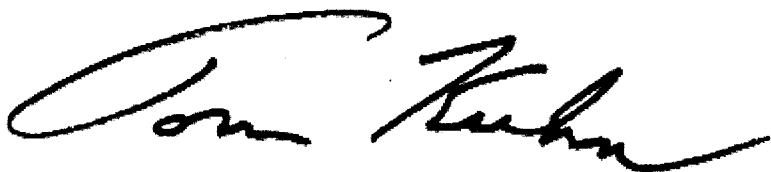
A state mitigation plan is required 30 days prior to an initial funding request. This plan will detail how trust funds will be utilized. We ask that, as part of your mitigation plan, you allocate **funds to invest in light-duty electric vehicle (EV) charging infrastructure (up to the 15 percent maximum amount available under trust guidelines)** to deploy the charging infrastructure needed to grow the EV market and to complement other EV charging investments taking place in your state. As an example, we applaud the Governors from seven western states who recently created a Regional EV Plan for the West to coordinate on EV charging infrastructure. Environmental Mitigation Trust funds could be directed to support this project—and could be enhanced further by leveraging the electric companies in the region.

We strongly believe that the trust can be a catalyst for electric transportation investment and for providing great environmental benefits for your state. However, working with electric companies through the trust to incentivize electric transportation is just one of the many ways in which your state may partner with your electric companies to foster an electric-powered transportation future.

EEI recently challenged its member companies to work with at least one community within their service territories to help them achieve their smart community vision, such as deploying smart lighting, building management, distributed energy resources, data analytics—and especially smart transportation technologies. Using the trust and the forthcoming mitigation plan is an effective way of combining these efforts.

X We look forward to working with your staff. Please do not hesitate to reach out to me or Brad Viator (bviator@eei.org or 202-508-5203) on my staff with any questions. (A printable PDF of this letter is available here).

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Kuhn". The signature is fluid and cursive, with a large, sweeping initial "T".

Thomas R. Kuhn
President
Edison Electric Institute

cc: National Governors Association
U.S. Conference of Mayors

202-508-5555 | tkuhn@eei.org

701 Pennsylvania Avenue, NW // Washington, DC 20004-2695 // www.eei.org

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